

NORTH DAKOTA NATURAL RESOURCES TRUST
FINANCE COMMITTEE MEETING
JANUARY 12TH, 2022
ZOOM VIDEO CONFERENCE & NDNRT CONFERENCE ROOM – BISMARCK, ND

Board members present were Randy Renner, Finance Committee Chairman, Marshall Johnson, President and Gene Veeder. Trust staff members present were Keith Trego, Terry Allbee, Rick Warhurst and Brenda Newton.

10:30 AM

- Committee reviewed the Trust's 2021 investment performance report, prepared by John Hagan, SEI. The report summarized the economic outlook for 2022, market review of 2021, and the Trust portfolio performance including the 2021 income total for 2022 budget preparation. The SEI Income account has a balance of approximately \$4.2 Million of capital gains and investment earnings. This amount is \$2 Million higher than the previous year.
- The Committee discussed the options for the additional SEI investment funds earned in 2021. The selected option was to transfer \$1.5 Million of the earnings into the Retained Earnings account. These funds would still be considered available for operations but would be earning additional interest in the account.
- Terry reported on the 2021 actual expenditures and the comparison to the approved budget. Terry reviewed the history of Trust's administrative costs. For 2021, the administrative amount spent was 16% of the budget. This is mid-range compared to other years, with the highest being 33% in 2009 and the lowest of 7% in 2002. Other highlights include, small grants, the office remodel completion, several new offset contributions from energy companies and another record year of spending over \$3 Million for on-the-ground conservation projects.
- Terry Allbee presented the draft 2022 budget. The budget will continue to focus on delivery of existing Trust projects and looking for new opportunities to best increase wildlife conservation in North Dakota through partnerships. Other highlights include, increased delivery of energy offset fund for on-the-ground projects, additional OHF grant submissions, cost-of-living increases that will affect staff salary, delivery of the Meadowlark Initiative, and potential Missouri River riparian acquisition projects.
- The committee focused on the inclusion of a full-time position to aid in delivery and project management of the RCPP Meadowlark Initiative and other Trust projects. The position will be funded primarily through RCPP TA funds and a NDGF Cooperative Grant.
- An SEI webinar about the fourth quarter economic review was watched by those who were able to join.

The meeting adjourned at 2:30 PM.



Keith Trego, Executive Director

1/25/22
Date



Randy Renner, Finance Committee Chair

1/20/22
Date